THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) The Central Vigilance Commission during the course of examination of a fraud case pertaining to the State Bank of Patiala had observed that in a loan function held in Haryana during November, 1976, some loans sanctioned for purchase of buffaloes were disbursed to middlemen and the amount did not reach genuine beneficiaries. The Central Bureau of Investigation registered a case on 14-11-1980 and thereafter filed a charge-sheet in a court of law. The Reserve Bank of India from time to time has advised banks to follow the well laid down procedures for identification, sanction and appraisal while sanctioning of all loans including those disbursed in credit camps.

The observations of Central Vigilance Commission has appeared in its annual report of 1984.

Irregularities in the Punjab and Sind Bank

136. SHRI CHATURANAN MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the All India Punjab and Sind Bank Officers Federation (Regd.) has submitted a Memorandum to Government on the 7th October, 1986:

(b) if so, whether the memorandum highlights the financial mismanagement, defective planning, administrative lapses and vested interests of the top executive of the Bank;

(c) whether it is a fact that the Bank has gone down in deposit growth, credit management, house keeping, etc. in comparision to other nationalised banks;

(d) if so, what are the details thereof; and

(e) what steps Government have taken with a view to save this institution and to protect the career of 12,000 employees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) All India Punjab & Sind Bank Officers Federation had submitted a memorandum to the Government on 7th October, 1986 containing various allegations against the functioning of Punjab & Sind Bank.

(c) and (d) The growth rate of average deposits of Punjab and Sind Bank upto the end of June 1986 over the corre ponding period of the previous year was 17.58 per cent compared to the industry average for public sector banks of 19.4 per cent. Punjab & Sind Bank has fulfilled the RBI norm for credit deployment to the priority sector, by deploying 42 per cent of its total advances towards the priority sector by end June, 1986—as against the target of 40 per cent. The bank also achieved RBI's targeted norm for deploying 15 per cent of total advances for direct agriculture—though it fell short of the targeted norm of 25 per cent of total advances being deployed towards the weaker sections—since by end June 1986 it had deployed 21 per cent of its total adances for weaker sections. The housekeeping position of all banks including the Punjab & Sind Bank are being regularly monitored in detail by the RBI.

(e) In view of the RBI monitoring the functions of the bank on an on-going basis and the guidance given to the bank from time to time, the question does not arise.

RBI inquiry into the affairs of Reliance Industries

137. SHRI N. E. BALARAM:
SHRI V. NARAYANASAMY:
SHRI SHARAD YADAV:
SHRI RAM NARESH KUSHAWAHA:
SHRI CHIMANBHAI MEHTA:

Will the Minister of FINANCE be pleased to state:

(a) whether the high-level committee set up by the Reserve Bank of India to enquire into the large loans advanced by